The Impact of Our Aging Society: A Summary of References for the Government-Wide Study on the Impact of the Aging Population

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Introduction

The focus of this bibliography is on identifying the scope of the research and informed opinion surrounding the impact of aging populations on society, with a view towards identifying suggestions or recommendations regarding measures that could minimize potential pressure points. The literature that was gathered for this purpose ranges from a "crisis" perspective which views the aging of developed nations as requiring immediate attention, as in *Gray Dawn*, to the perspective that aging is a manageable phenomenon which may require some action but will also benefit society in a variety of ways, such as *Successful Aging*. Many of the documents selected for this review present opinions that lie between these two views; however, the majority of the literature that was consulted does not depict an aging population as a "crisis" situation. In fact, there is considerable consensus among authors that the aging "crisis" has been overstated.

In Alberta, in the final report of the Long Term Care Review, *Healthy Aging: New Directions for Care*, the Policy Advisory Committee states:

> with new approaches and appropriate planning an aging population is not a potential crisis for the health system. An aging population should not be seen as a burden, but as an opportunity to improve the system and expand the choices available for people to stay healthy and independent for as long as possible.

Although the Long Term Care Review was primarily concerned with the impact of an aging population on the health care system, this view is shared among experts in all domains.

The majority of documents which discuss the ramifications of aging address the financial impacts on individuals and the economy, such as the public/private pension systems, the labour force, retirement planning, and taxation. Issues such as population health, health care provision and costs, caregiving, volunteerism, education, and the fostering of caring communities are also discussed. Where possible, documents with a Canadian focus have been identified. However, it was necessary to adopt an international perspective for two reasons. First, the Canadian literature is neither abundant nor exhaustive, as aging has occurred at a much slower rate than in

other areas of the world. Secondly, it is important to assess how other nations are addressing the challenges associated with an aging population.

With reference to other nations, the United States is experiencing the aging of the population at a more accelerated rate than Canada. In order to address the issues that may arise as a result of the aging of the baby boomers, many states including Florida, California, Montana, North Carolina, and Minnesota have developed action plans to prepare for the onset of the aging population. The North Carolina and the Minnesota plans are of particular interest in that they are very detailed and present very specific recommendations for managing the future of their states.

For the purposes of this review, a literature search was undertaken for information on the "theme areas" selected by the Steering Committee for the Government-Wide Study on the Impact of the Aging Population. In general, the literature covered the following eight themes: the labour force, education and awareness, the government's role vs. the role of the individual, financial planning and security, integrated and supportive communities, healthy lifestyles and wellness promotion, caregiving and volunteers, and housing.

The review is organized by the theme areas. However, there are several documents which contain cross-cutting themes such as *North Carolina – A Leader in Aging; Project 2030 Aging Initiative; Successful Aging; Achieving a Productive Aging Society; Active Ageing: A Shift in the Paradigm; 1999 and Beyond – Challenges of an Aging Canadian Society; Aging in Alberta;* and *Preparations for Independence and Financial Security in Later Life*. These documents discuss the labour force, volunteers, active aging and health promotion, and education. Most of these publications contain many similar suggestions.

The documents which look at population aging from a financial standpoint such as pensions, labour force issues, and taxation include: *Maintaining Prosperity in an Ageing Society; New Systems for Old Age Security; Grey Dawn; Population Aging and it Economic Costs; Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?; Flexible Retirement as an Alternative to 65 and Out,* and *Taxes, Transfers, and Generations in Canada.*

Strategies for a Caring Society deals exclusively with the issue of supportive communities, and *Housing Alberta's Seniors in the Next Thirty Years* and *Supportive Housing in Supportive Communities* discuss housing.

Literature with Crosscutting Themes:

American Sources

North Carolina Department of Health and Human Services, The Division of Aging. (1999). **North Carolina – A Leader in Aging: The 1999-2003 State Aging Services Plan.** **North Carolina: NC Department of Health and Human Services.**

The focus of this document is a four-year plan that outlines suggested goals and strategies for managing the aging population of North Carolina. In 1990, baby boomers comprised nearly one third of the population. The plan states that all of the goals, policies and programs were developed using a guiding set of principles which are consistent with the beliefs purported by the United Nations for aging globally. In concert with the development of this plan, the North Carolina Division of Aging held three focus groups to identify the concerns and recommendations of its citizens with reference to the impact of aging. The participants of these focus groups identified the following areas as being important: healthy aging, work and education, financial security, independent living, and well-being and community spirit. Recommendations, which focused on these areas, were developed and integrated into the plan with a view towards increasing individual responsibility.

Some of the key recommendations/items for consideration presented in the report are:

- continue efforts to support family responsibility for caregiving and to recognize and support the contributions of caregivers;
- develop "pro-work" policies to encourage employers to retain older people in the workforce through the use of tax credits, and encourage the training and education of older people by offering individual tax credits;
- increase personal responsibility for long term care provision by encouraging the purchase of long term care insurance and offering a tax credit for its purchase;
- enhance opportunities for home and community-based care;

- work with consumer groups to plan for adequate transportation for seniors needing assistance to get to medical appointments, etc.;
- administer programs which target health problems and risks for health problems and general health promotion (active living);
- continue to promote the establishment and development of multipurpose seniors' centers;
- encourage interest and commitment to more comprehensive planning at the regional and local levels relative to the aging of the community, including participation and support from businesses, civic groups, religious leaders etc.; and
- continue to work with other public and private agencies to promote volunteerism by older adults.

Minnesota Department of Human Services. (1998). Project 2030 Aging Initiative. Minnesota: Minnesota Department of Human Services.

This document represents the coordinated efforts of the Minnesota State Government to identify the impact of the aging of Minnesota's baby boomers on their state as well as a vision for coping with this demographic shift. The four major themes that this project addresses are: 1) increased personal responsibility for financial preparation for retirement 2) increased personal responsibility for health promotion and maintenance 3) increased "age sensitive" physical, service, and social infrastructures at the community level, such as life cycle housing and strong social ties within the community, and 4) strong economic growth within the State, including creative use of the aging population, in both the paid and voluntary sectors. The report identifies actions that the government can take to prepare for the coming age wave as well as actions that public and private groups can take. In similarity to the North Carolina report, this report advocates increased responsibility on the part of individuals for planning and preparing for their retirement.

The Minnesota plan identifies a vision whereby all workers will regularly contribute to a savings plan for retirement. As well, the plan envisions people becoming empowered to take

responsibility for their own self-care. The focus of long term care would shift towards "functional wellness" and improved quality of life. The plan also recommends that the government support the promotion and maintenance of health to prevent or reduce disability rates and the functional losses associated with chronic conditions.

The plan's vision for changing communities involves the promotion of intergenerational and lifecycle communities that would offer choices for meeting the future needs of all residents. These communities would support the ability of older people to live independently for longer periods of time via formal and informal support networks within that community. The plan also envisions that communities will offer a wide array of opportunities for voluntary and social interaction for all residents, creating support networks for people of all needs. Community-based organizations would provide meaningful opportunities for political, social, and recreational involvement for all residents. These types of opportunities would foster connections between people and a sense of responsibility for one another.

The plan also suggests that the state explore ways to increase volunteer recruitment and training. As well, work that is traditionally undervalued, such as informal caregiving, should be compensated in some manner. The plan also identifies a vision for the future workforce of Minnesota. A new concept of retirement is suggested whereby retirement would be defined by mental and physical capacity and personal financial preparation rather than by age. The future workplace should be characterized by flexibility and ready access to training and lifelong learning. As well, an "ideal set of benefits" would provide incentives for older workers to remain in, or return to, the workforce while incentives to leave the workforce early would be reduced or eliminated.

Rowe, J. W. and Kahn, R. L. (1996). <u>Successful Aging</u>. New York: Dell Publishing.

This book is based upon a study conducted by the MacArthur Foundation which sought to provide insight into the aging process. The results of their longitudinal research indicate that aging is less dependent on genetic factors and more dependent on healthy living, mental activity, and personal relationships. The authors conclude that successful aging results from the

maintenance and interaction of three behaviors: avoidance of disease and disease-related disability, the maintenance of high mental and physical function, and active engagement in life. The focus of the book is that aging can be a positive experience over which individuals can exert personal control and that older people are productive, contributing members of society. Rowe and Kahn address the various ways that individuals, governments, and communities can encourage and promote the experience of positive aging.

In the last chapter the authors offer their "*Prescriptions for an Aging Society*" where they identify the need for consideration of all the unpaid activity that older adults do which benefits society. They suggest that the market value of this work be assessed and reported regularly which in turn may increase the opportunities and incentives for voluntary activity, consequently increasing the number of older participants. Rowe and Kahn also suggest that the focus be shifted from an emphasis on education in early life to an emphasis on lifelong learning which would serve to promote active engagement with life and protect against cognitive losses. An emphasis on lifelong learning would also permit older people to sharpen their skills and keep pace with changes in the workforce. The authors indicate that this type of vision would require a shift in society's perceptions of what older people can and should do. They point out that current policy favours retirement rather than the continued employment of older people, and suggest that changes be made to federal income tax law so that people who are receiving Social Security can continue to receive labour force income without forfeiting pension income.

Rowe and Kahn also suggest that the American government consider changes to employer regulations to make continued employment more attractive for older people. They add that the benefits of older workers extend to society as a whole. For example, younger workers who have families would be able to forgo some of the longer hours to spend more time with their spouses and children. The authors point to Japan as a potential model for labour force participation of older workers. The Japanese concept involves workers labouring at well-defined successive jobs throughout the course of their working lives in a gradual movement towards complete retirement. The Government of Japan provides subsidies to private companies that encourage this process. Japan also has manpower companies that match older people to productive activities, either paid or voluntary.

Bass, S. A., Caro, F. G., and Chen, Y. P. (Eds.). (1993). Achieving a Productive Aging Society. Westport, Connecticut: Auburn House.

This book consists of a series of articles on topics ranging from the labour market to caregiving. It is similar to *Successful Aging* in that it advocates that there is an active role for seniors in society. The authors explain that there is a "vital connection" between health and productivity. People who maintain an active involvement in life beyond retirement experience a positive impact on their health and well-being, which the authors claim mitigates some of the negative aspects of aging. Older people are already making significant contributions to society and these contributions could be enhanced by shifting society's perceptions and making policy changes.

The authors of this book cite volunteer work as an example of productive activity. Older people are involved in a lot of volunteer work that is beneficial to society as well as to the volunteer. The authors believe that more recognition should be given to informal caregivers since this type of activity prevents and/or delays institutionalization and facilitates aging-in-place. They also suggest that an economic value be placed on volunteer work and that data on volunteering should be publicized regularly, including the number of hours contributed by older Americans. This may serve to encourage further volunteering.

The authors also link productive aging to education. The continued education of older adults would allow them to develop the skills that are necessary to function in today's changing workplace. The recommendation is made that educational institutions should develop a more flexible approach to lifelong learning instead of placing the sole emphasis on learning in the earlier stages of life. The benefits of education are widespread: income is tied to educational attainment and higher income allows individuals to invest in their own health, seek good employment and continue the process of education. The authors also suggest that policies be developed which encourage older workers to remain in the labour force, citing a poll of older people which indicated that they would like to remain in the workforce and that they have much to offer in terms of knowledge and experience.

Northcott, H. C. (1997). Aging in Alberta: Rhetoric and Reality. (Second Edition) Calgary: Detselig Enterprises.

This book discusses the demographics of the Alberta population, the causes of the aging population, and the various issues that arise as a result of aging. Northcott claims that population aging did not cause the economic difficulties that Alberta faced in the '80s and early '90s and that it "will not necessarily" cause economic problems in the future. He maintains that debt is the central problem. He also points out that while the dependency ratio for people over 65 is rising, the ratio is falling amongst the province's youth, which mitigates some of the effects of population aging.

Many people are suggesting that adult children will continue to provide a sizeable portion of care to their aging parents. Northcott cautions that it may not be prudent to rely on family members to provide unpaid care to their elderly relatives. He cites the increasing participation of women in the workforce as a possible deterrent. Women who are earning recognition and remuneration in their formal careers may become less willing or able to take on a caregiving role, especially because there is little recognition or remuneration for such work, and in fact, there are costs associated with lost opportunities. Northcott expresses some uncertainty about the extent to which the increased emphasis on self-reliance and community-based care will actually translate into cost reduction. In his discussion about caregivers, he cites findings from his research that show that two thirds of Edmontonians supported the concept of a homemakers' pension that would benefit older persons, mainly women, who have spent the majority of their lives working in the home. He also provides survey results which indicate that 69 percent of Albertans opposed mandatory retirement, although the majority of these people planned to retire at or before the age of 65.

Northcott also points out that the expectation that seniors should be cared for and supported by relatives makes the incorrect assumption that seniors are willing to be dependent on, or want to live with, their adult children. Northcott says that his research shows that most seniors would

voluntarily choose placement in a long term care home or a lodge, in the event that they become dependent, as opposed to becoming dependent on their children.

With reference to the recent emphasis on "holistic health", Northcott argues that if the "whole" needs and wishes of a heterogeneous elderly population are to be heard and acted upon, then seniors must be involved at all levels of the decision-making process and given control over funding. This would require a shift of power from the bureaucrats and social planners to seniors themselves.

In terms of government policy and expenditure, Northcott predicts a continued emphasis on targeted programs based on need as opposed to universal programs. As well, he feels that cost saving strategies will tend to centre around the issues of sustainability and generational equity. Expensive programs, which benefit one generation at the cost of another, only serve to contribute to deficits which are financed by borrowing. The end result is a larger burden of debt on the younger generation. However, he also believes that Canadian policy makers are using concerns about unsustainability and intergenerational equity to justify changes in public policy.

Denton, M. A., French, S., Gafni, A., Joshi, A., Rosenthal, C., and Willison, D. J. (1998). "Preparations for Independence and Financial Security in Later Life: A Conceptual Framework and Application to Canada." The Program for Research on the Independence and Economic Security of the Older Population. Hamilton: IESOP. (No. 31)

The Program for Research on the Independence and Economic Security of the Older Population (IESOP) is designed to investigate the issues relating to the current and future independence and financial security of seniors in Canada. This paper presents a conceptual framework for describing an individual's preparations for later life, which may be used to guide policy making. The framework is based on a "life course perspective" which essentially states that the retirement lives of individuals are shaped by all of the planning and choices that individual makes over their pre-retirement lifespan. This paper supports Rowe and Kahn's model of "successful aging".

The authors of *Preparations for Independence* cite Rowe and Kahn's definition of successful aging for achieving good health and happiness. However, the authors of this paper add that "the development of a positive attitude towards the aging process" should also be considered as a component of successful aging. Social support is also an important determinant of health and well-being while social isolation is a significant risk factor for poor health. The authors report that there are two positive effects which result from social support: a direct effect which occurs as a result of being a member of a group and the perception that others are supportive, and an indirect or buffer effect, which mediates the effect of stress on quality of life in times of crisis. In reference to social support, the authors state that friends may be more important to social well-being than family as these types of relationships share the same generational experiences and are of a voluntary nature as opposed to obligatory.

The authors of this paper claim that there are three types of preparations for later life. They term the first type of preparation "public protection" which includes state-provided pensions, transfer payments, health services and so on. The second type of planning is considered "self-insurance". This involves the financial preparations that are made by the individual, and include personal savings, investments, and company pension accounts. The last type of preparation is "self-protection" and includes non-financial preparations such as healthy lifestyle choices and the establishment and maintenance of social support networks.

The three-part framework involves interplay among the different types of preparations. The authors state that individuals differ in their ability and concern for self-insurance and self-protection in later life as they progress through different stages of life, and that choices are limited by economic or social circumstances. An individual with a young family may not be able to participate in "self-insurance" planning but may be able to engage in "self-protection" behaviors. The authors point to research which shows that age, gender, health, household incomes, marital status, and family status are related to the self-insurance preparations people make for retirement. People make plans differently and the contents of their "portfolio" are dynamic and change over their life course. The authors emphasize that there is no one optimal mix of financial and non-financial retirement preparation.

National Advisory Council on Aging. (1999). 1999 and Beyond – Challenges of an Aging Canadian Society. Ottawa: Minister of Public Works and Government Services.

This report also takes a positive view of aging and reiterates that seniors have much to contribute. The document looks at the situation of seniors today and attempts to anticipate what future seniors will be like as well as the associated challenges and opportunities that face policy makers in meeting the future needs of this population. In response to these challenges, the National Advisory Council on Aging (NACA) presents a very comprehensive set of recommendations for the public, private, and voluntary sectors, as well as areas where intersectoral cooperation may be required. NACA maintains that the demographic changes that will occur as a result of aging will be slow and spread out over a lengthy period of time, and that consequently, there will be no crisis. However, it is the responsibility of individuals, businesses, and governments to begin shifting their focus to maximize the advantages created by aging and minimize the disadvantages. The report states that:

> The total expenditure for all categories combined will increase at very much the same rate as the total population. The main problem is how to effect shifts within budgets to accommodate rising demands in some areas with falling demands in other areas.

NACA believes that older workers will be a valuable resource in the future labour market and that alternative and flexible work arrangements need to be created to support workers who wish to remain in the labour force. They suggest that mandatory retirement be abolished and that reforms be made to make it financially advantageous for retirees to return to the workforce. NACA also recommends that employers adopt a flexible approach with respect to employees who have responsibility in caring for a family member. It is also suggested that the drop-out period for the Canada Pension Plan be amended to reflect time spent caring for a senior. Concessions for senior volunteers should also be considered, such as the reimbursement of travel expenses or other costs incurred by volunteers.

The concept of health promotion is emphasized as a means to prevent the onset of some health conditions and diseases. Home care is identified as an area where improvement is required. The report includes a suggestion for the development of home care services across the country that would be part of an integrated range of health services. This system would ensure that seniors living in rural areas are able to access services.

Transportation is another area identified by NACA as requiring attention. Older drivers' competencies need to be addressed from a public safety standpoint while respecting the dignity and independence of the individual. They recommend that road and highway design features reflect the changing needs of older drivers. NACA also stresses the importance of reducing social isolation by providing alternative housing and transportation options for elderly people living in rural areas.

NACA believes that tomorrow's seniors will be better prepared for retirement, although some individuals are expected to be primarily dependent upon government pension plans. They recommend that the economic situation of seniors be improved immediately by combating the causes of poverty and financial dependence during retirement. NACA also suggests that the government transfer system be revised so that seniors with the lowest incomes receive enough money to make an appreciable difference in their quality of life, and that Old Age Security become fully indexed to prevent the erosion of benefits.

Cultural sensitivity is proposed as an area that also needs attention. The report recommends that professional caregivers and volunteers receive culturally appropriate training so that they may provide care to seniors from a variety of ethnic backgrounds. Health care and promotion programs may also need to be delivered in languages other than English or French.

"Active Ageing: A Shift in the Paradigm." (1997). Background paper for the *Denver Summit of the Eight* by Aging Experts from the Participating Countries.

The Denver Summit was a meeting of the eight foremost industrial nations, the seven Organisation for Economic Development and Cooperation (OECD) nations and Russia, to discuss various political, economic, and social issues and challenges that are facing these nations. This discussion paper was prepared as a background document, by experts from these nations, for the Denver Summit to contribute to the discussion on active aging.

The authors of this paper state that one of the major successes of the twentieth century is increased longevity and improved health. Aging has become less associated with dependency. The authors believe that it is time to consider a new definition of aging that incorporates the changing notions of work, retirement, education, and leisure. This would require the re-consideration of the current "chronological benchmarks" for engaging in life's major activities. The concept of active aging connotes larger and broader social and political issues. The authors recommend that society consider socially valuable actions such as volunteering, unpaid care to children and seniors, and support provided to service organizations, as important contributions of the elderly.

The authors also state that successful aging policies and programs must reflect the dependence of all citizens' welfare on the overall strength of all economic, health, and social systems. The well being of healthy seniors is therefore linked to that of other seniors who are ill or disabled because these seniors are supporting their less fortunate counterparts. It is also suggested that countries identify the important disincentives in the public and private pension systems for continued work and examine the effectiveness of incentives for prolonging productive activity. These authors also cite Japan as an example of a country that has done this. In addition, a better understanding needs to be developed regarding the role of informal caregivers and how the incentives for paid employment interact with the opportunities for caregiving and volunteerism.

With regard to health and long term care needs, the authors claim that population aging requires the consideration of recruitment of health care professionals, training, and the setting of priorities in health research to address the delivery of appropriate and cost-effective health care services. A major issue that is also associated with the active aging theme is the need for the continual improvement in the ability to forecast health status and disability at older ages in order to make more accurate predictions of future health and long term care costs.

Literature that Focuses on the Themes of Pensions and the Labour Force

International Sources

James, E. (1996). "New Systems for Old Age Security –Theory, Practice and Empirical Evidence." Policy Research Department: The World Bank.

This paper is based on the World Bank publication *Averting the Old Age Crisis* and is devoted to pension reform. The World Bank advocates shared responsibility between the public and private sectors for retirement funding suggesting a shift to a "three pillar" pension system. A revamped pension system should place a greater emphasis on savings and should have separate financing and managerial mechanisms for redistribution and saving. In her paper, James maintains that equality and fairness should be the criteria used to develop and evaluate pension programs. Namely, pension schemes should protect the old and promote economic growth, which benefits people of all ages. Although the paper is based on a document that cites an impending "crisis", James does not identify the situation as a crisis; instead she focuses on reforms similar to those posited by the OECD which would make the system more viable.

The paper identifies the problem with pay-as-you-go pension schemes as resulting in high and rising payroll taxes. As well, these taxes provide money towards pensions rather than education, health, or infrastructure. James claims that early retirement has exacerbated the situation as people are receiving benefits while the labour force is decreasing, thereby increasing the pressure on the employed. She reports that current systems are unsustainable, and claims that they protect

current seniors rather than future seniors. In this regard they violate the equality and fairness criteria.

The World Bank envisions a multi-pillar system consisting of a mandatory, publicly managed, tax-financed pillar which would resemble current systems in most developed nations, e.g. the Canada Pension Plan in Canada. The second pillar would include a mandatory, privately financed pillar for saving, and the third pillar would be a voluntary component for people who wish to have further protection. In addition, there would be a separate public tax-financed mechanism for redistributing monies to low-income workers.

James describes the second pillar in detail as existing in the form of a defined contribution plan which would be fully funded and managed competitively. This would prevent intergenerational inequity, as there would be no large transfers from younger people to older retirees. The funding from this second pillar could also be used to help fund long-term savings and perhaps to finance future pensions via returns to these savings. James states that the only two countries that have a mandatory savings plan are Switzerland and Chile. She reports that the national savings rate rose in both of these countries after the institution of this measure, indicating that pension reform can have a beneficial effect on the long-term national savings rate.

The countries that have introduced a mandatory second pillar, Chile and Switzerland, have downsized benefits, and increased retirement ages and penalties for early retirement. James does note that countries with large public pillars and pension debts are finding it difficult to make the transition to a partially funded system with a mandatory private pillar due to political interests which are associated with the existing institutions.

The Organisation for Economic Cooperation and Development. (1998). <u>Maintaining Prosperity in an Ageing Society.</u> OECD

This publication is based on research done on the aging populations in the seven leading industrial nations of the world: Canada, France, Germany, Italy, Japan, the United States, and the United Kingdom. The Organisation for Economic Cooperation and Development (OECD) does

not view aging as a crisis situation; however, they advocate the need for reform to address the effects of aging on the financial market and labour markets, as well as on pension systems, social benefits, and the health and long term care sectors. The OECD maintains that should their suggested reforms be adopted, results would include the avoidance of major fiscal issues, improved living standards and quality of life, and a more "equitable, cohesive society". The focus of this book is on how these reforms can be achieved so that society as a whole benefits.

The OECD offers some principles for achieving reform, believing that a policy response which extends beyond traditional areas of responsibility is necessary. One of the central objectives of reform is to ensure that there is equity between generations. For example, the authors maintain that spending on public pensions must be curtailed or most industrialized nations will experience a deep deficit in the next ten years. The burden of financing these pensions will largely rest on the younger, smaller, working generation. In similarity to the World Bank, the OECD proposes that a retirement income system should consist of three parts: 1) a public pension system consisting of a mix of pay-as-you-go and advance-funded systems 2) mandatory private pensions, and 3) voluntary savings. In concert with this recommendation, the OECD suggests that public debt should be reduced; Japan is mentioned as a nation where the ratio of public debt to GDP will begin to rise in the very near future, despite the fact that they have higher retirement ages and lower public pensions. The OECD cites the means for reducing debt as potentially including a reduction in benefits from public pensions and an increase in the rate of contribution. Lowering public pensions entails that individuals will have to rely on "other pillars" thus creating a more diverse system. The OECD claims that research has shown that lowering public pension benefits is unlikely to have a major impact on the living standards of retirees.

The OECD also views seniors as productive members of society, suggesting that retaining older people in the labour force would benefit society as a whole. The labour market would benefit directly, the tax base would be larger, and there would be a smaller number of "dependent" older people receiving pensions. The authors recommend that the financial incentives for early retirement be removed as well as disincentives for remaining in the labour market. This would serve to extend employees' pension contributions and reduce pension expenditures. In order to accomplish this, reforms would be needed to ensure that there are jobs for older workers,

requiring shifts in society's perceptions and employer policies to accommodate flexible work. Incentives for early retirement cannot be eliminated in a vacuum; changes in the old age pension system would be required, as some systems penalize older people for continuing to work. Other social programs, such as disability and unemployment benefits, may require reform as well, as these programs may encourage older workers to take advantage of other sources instead of early retirement.

In terms of health and long-term care, the OECD maintains that there should be a greater focus on cost-effectiveness and that research and funding should emphasize reducing dependence in older age. This would accompany a shift towards preventive measures and the encouragement of healthy, active living through health promotion. In addition, there should be a greater emphasis on supporting and caring for people in their own homes or home-like environments ("aging-in-place"). The dependence on large institutions is being replaced, in part, by a focus on community based care and care networks. A "more harmonious approach" is needed to provide health care and social services to older people who are frail. The OECD points out, in contrast to other publications, that in Japan the proportion of older people living with their adult children has witnessed a slight decline. The OECD identifies the key policy challenge with respect to health as being the "development of a system that can readily adjust to changes in the numbers of people needing chronic care which responds to a wide variety of needs. This involves a balance between aging-in-place and institutional care, between the family and the formal systems, and between medical and social services."

The OECD concludes that it is necessary for nations to develop a strategic framework to co-ordinate reforms across numerous departments, at multiple levels of government, which have responsibilities for aging issues, and to build understanding and support. Longer term planning is also needed to prepare for the shift in resources necessitated by the changing population. They state that the responsibility for aging issues rests among all three sectors: public, private, and voluntary.

The Association of Canadian Pension Management. (January 2000). "Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?" ACPM. http://www.acpm.com/

The Association of Canadian Pension Management (ACPM) is a national organization of professionals involved in the management of public and private sector pension plans. The members of the ACPM have expertise in retirement finance and economics, investments, law, and actuarial science. Their mandate is to contribute to the growth and health of Canada's retirement income system. The focus of their paper is to define the key attributes of an "ideal" national retirement income system, the deficiencies of the current system, and ways to overcome these deficiencies.

According to the ACPM, Canada is not prepared for the aging of its population. Evidence from the OECD is cited, which states that public spending on pensions and healthcare will increase from 13 percent of GDP in 1995, to 23 percent in 2030. The ACPM believes that Canada's current system contains many inconsistent and conflicting goals such as high minimum guaranteed incomes for seniors coupled with strong disincentives for lower and middle income earners to provide for their own retirement. As well, there are formidable tax barriers that make it very difficult for higher income Canadians to maintain their living standards beyond retirement.

Currently Canada's retirement system is based upon three pillars: Old Age Security (OAS) and the Guaranteed Income Supplement (GIS), the Canada Pension Plan (CPP), and voluntary contributions such as Registered Retirement Savings Plans (RRSPs). The current Pillar One, OAS/GIS, provides seniors with larger after-tax benefits than working people are allowed to earn prior to being subjected to income tax. As well, all seniors' benefits are fully indexed, while working people face continual tax increases. The ACPM concludes that overall, Canadians over the age of 65 are in a better financial position than many of the younger working Canadians who sustain them. On this basis, it is recommended that the three-pillar system be restructured in a

similar fashion to the World Bank model. Under this system Pillar One would be a tax-financed, means tested, public pension plan that would guarantee everyone a minimum level of income. Pillar Two would consist of an employment-based mandatory pension plan to which everyone in the workforce must contribute. Pillar Three would be a fully funded, privately managed retirement or savings plan which would be completely voluntary. The ACPM also states that no Canadian with an earned income below the Market Basket Measure should pay income tax and that that low and middle income Canadians should not be subjected to combined tax/clawback rates in excess of 50 percent of retirement income. In addition, the ACPM also feels that the contribution room for pensions and RRSPs should be doubled, matching contribution room currently allowed by the United States and Britain, and that the 20 percent restriction on foreign investing in RRSP portfolios should be eliminated.

The goal of a good retirement system, according to the ACPM, is one where there is equivalence between the levels where seniors receive means tested minimum public pensions and where working people begin to pay taxes. The authors state that Canadians must take personal responsibility for preparing for their retirement. They also maintain that the current incentives that encourage people to retire early should be removed, and that instead, incentives should be added to encourage people to remain in the workforce as long as they are willing and able. Accumulated national debt is cited as a very real problem and measures need to be taken to ensure that the working generation is not saddled with this burden. The ACPM also advises that the federal government should instruct education ministries across the country, in conjunction with the financial services industry, to design and require the teaching of financial wellness courses at primary and secondary school levels.

Gunderson, M. (1998). "Flexible Retirement as an Alternative to 65 and Out." The Pension Papers. The C.D. Howe Institute.

This paper identifies the benefits of flexibility with regard to the retirement and continued employment of older people. Gunderson states that the emphasis is currently on early retirement but the demand for postponed retirement is expected to grow for a variety of reasons: there have been increases in the number of high-end white-collar jobs which people often enjoy and wish to

keep, and there has also been an increase in the number of low-wage service jobs from which retirement is not a viable option because they pay poorly.

Gunderson also states that social patterns are fostering delayed retirement. For example, in families where there are two people in the labour force, one may not wish to retire prior to the other. As well, women who left the workforce to have children may wish to build up their work history to increase their pensionable earnings. In addition, employers are recognizing the skills and knowledge that older workers possess that make them valuable, especially in the face of an impending labour shortage when the boomers begin to retire. The combination of these factors creates benefits for the next generation, as financial pressures on this group would be eased if older people elect to work beyond the age of 65.

Gunderson also points out that there are policies in place which discourage people from remaining in the workforce beyond the age of 65, such as mandatory retirement policies, employer pension plans and human rights laws, that generally protect people from discrimination, exempt those people over the age of 65, in part to allow mandatory retirement. As well, Old Age Security and the Guaranteed Income Supplement have clawbacks that discourage people from saving money. Gunderson also argues that the CPP's early retirement feature curbs potential earnings and that the rules for RRSPs discourage seniors from continued labour force participation. He concludes that policy makers should critically assess the legal and institutional barriers to postponed retirement and that employers and employees should be left to come to their own agreements for "normal", early and postponed retirement.

Oreopoulos, P. and Vaillancourt, F. (1998). "Taxes, Transfers, and Generations in Canada: Who Gains and Who Loses from the Demographic Transition." The C.D. Howe Institute.

This is another paper from the C.D. Howe Institute. The central premise of this paper is that the current pension system needs to change because it is very unfair to younger generations. The authors, Oreopoulos and Vaillancourt, use a method called generational accounting to examine

the implications of different fiscal scenarios, using projections of government revenues and expenditures, which are driven by changes in population size and overall productivity growth. The authors state that current fiscal policy will be sustainable, with the net tax burden remaining at approximately 38 percent for future Canadians, if surpluses are used to pay down the debt. If surpluses are used to increase spending or reduce taxes, the net tax burden for future generations will rise as high as 58 percent.

According to Oreopoulos and Vaillancourt, someone born in 1940 would have paid 32 percent of his/her income in net taxes while someone born in 1995 would pay 38 percent. They further state that when the baby boomers retire, the system will have to accommodate a sharp increase in the proportion of the population collecting public pensions, an associated decrease in tax receipts, and a large increase in the need for health care. Based on these facts, the Canadian government should adopt a policy of debt reduction or face continued increases in the net tax burden.

Oreopoulos and Vaillancourt claim that transfers on health and education currently comprise about 65 percent of consolidated government total expenditures. Middle-aged people receive the least from government, but around the age of 60, the size of average government transfers rises sharply. Overall, the size of average transfers triple between the ages of 55 and 75. Therefore, they predict that health care expenditures will rise from 6.3 percent of Gross Domestic Product (GDP) in 1999, to 8.4 percent of GDP by 2045. Also, expenditures on OAS/GIS and Spouses Allowance (SPA) will rise from 2.5 percent of GDP in 2008, to 3.9 percent by 2041. They also calculate that the CPP will move into a deficit situation by 2020 and remain at approximately 1 percent of GDP.

The authors assert that it is virtually impossible to decide on an appropriate "steady state" of taxes and transfers among different age groups. Any policy change that benefits one group will hinder others. The criterion of a sustainable policy is stated as being a situation where the "total present value of net taxes collected now and in the future, is equal to or greater than the debt-servicing costs and the long-run costs of government purchases". On this basis, a current and

projected set of net taxes that cannot meet all current and projected financial obligations is not sustainable.

Oreopoulos and Vaillancourt present another criterion for judging the equity of distribution of net taxes as the "benefits principle". This principle dictates that a generation should only receive benefits from taxes paid and that redistribution may occur within a generation but no generation should deliberately take resources from another. If these principles were put into place, lifetime tax rates would be fairly consistent across generations and borrowing on the part of the government would be inappropriate because it would allow some groups to spend, causing another group to pay more. The authors conclude their paper by stating that tax rates were never intended to become as high as they are and that they have resulted from gross miscalculations on the part of government. To prevent this scenario from continuing, government must focus on debt reduction.

Denton, F. T., and Spencer, B. G. (1999). "Population Aging and Its Economic Costs: A Survey of the Issues and Evidence." Program for Research on Social and Economic Dimensions of an Aging Population. Research Paper No. 1. Hamilton: McMaster University.

This paper is part of a research project involving a group of researchers from five Canadian universities. The purpose of this project is to provide a comprehensive look at issues that relate to the economic and social aspects of population aging. The chief focus of this paper revolves around the ways that the aging of Canada's population will impact upon patterns of expenditure and supply, and the ways that the productive capacity of the economy may be enhanced. The paper puts the aging phenomenon in a very positive light, emphasizing the many ways that society can benefit from having an increased number of senior citizens. The view of Denton and Spencer is that aging is not a crisis but a manageable situation which will not bankrupt Canada.

Denton and Spencer acknowledge that there is a lot of concern regarding the aging of the Canadian population. Fears have been expressed about increasing dependency ratios. However, the authors argue that while population aging may exert pressure on some types of government

expenditures, there will be a corresponding reduction in other areas, such as education, employment programs and so on. They claim that the main problem of public policy will be how to "effect shifts within budgets to accommodate rising demands of some kinds coupled with falling demands in others". As well, they state that aging is a slow process; the ratio of the total population to the working population is expected to increase but it will not be as high as it was in the 1960s when the baby boom generation was in its youth.

Denton and Spencer analyze the various suggestions that have been made to offset the effects of aging, such as increased immigration, increased fertility, and the removal of incentives for early retirement. They note that immigration is not the answer because immigrants also age. Fertility is also not a viable way of curbing the problem because children would only serve to increase the dependency ratio in the short term. As well, it is difficult to influence fertility through policy changes. Denton and Spencer also claim that the issues surrounding retirement incentives require more research because the interplay among numerous factors is considerable. They also caution that government expenditures that involve the creation of human capital, such as the promotion of fertility, should be carefully considered from all angles, maintaining that policies and programs will be more solidly based if longer-term projections of population change and the effects on the economy are taken into account. Regular study of the economic and budgetary implications of demographic change are currently lacking, which makes it difficult for governments and policy makers to make informed judgments.

American Sources

Peterson, P. G. (1999). Gray Dawn – How the Coming Age Wave Will Transform America – and the World. New York: Random House.

This book presents the demographic transition to a society dominated by older people, which is occurring in the developed countries, as a situation that must be addressed immediately. Peterson's view is that global aging is "an iceberg which is lying dead ahead that is threatening to bankrupt the great powers." He states that as a result of aging, nations will face unprecedented political, economic, and moral challenges. Although the World Bank, the

International Monetary Fund (IMF), and the OECD have identified aging as a challenge that is facing many nations, Peterson argues that few countries are taking any steps to address these issues.

The "crisis standpoint" Peterson adopts relates to several issues that are not presented in the other documents. He argues that if the aging "problem" is ignored, personal living standards will decline and public spending priorities, such as research, education, and the environment, will be pushed out of public budgets. He further states that as a result of competition for limited resources, the elderly and the young will come to view each other as adversaries, creating intergenerational conflict. As well, he states that "demographic aging may result in a complex security threat posed by rogue states or individuals with biological and chemical weapons" and that the federal government will have an insufficient defence fund in which to cope with this situation.

In terms of the fiscal consequences of population aging, Peterson's views are not so radically different from the OECD or the World Bank. In fact, he cites the OECD projections of mounting pension and health costs heaping greater costs on the taxpayer. Peterson states that the working population of the United States will be taxed by an additional 25 to 40 percent. He echoes the concerns of the OECD and the World Bank in terms of the unfunded liability of public pension schemes. Peterson points to Japan as a nation that is managing the pressures exerted by an aging population. In Japan, public pensions only replace between 45 and 50 percent of pre-retirement pay; as well retirees receive these benefits for a shorter period of time, in comparison to other developed nations, due to retirement at later ages.

To curb the effect of the aging population on the American economy, Peterson recommends instituting a series of reforms, which would include increasing the full-benefit retirement age to 70, affluence testing all public benefits received by upper-income households, and implementing a global budget with fixed dollar vouchers for government health benefits, perhaps including higher premiums, co-payments, and deductibles. Peterson claims that old-age benefits were originally intended to protect retired persons from poverty, and that this system has evolved into one which provides universal benefits regardless of income or wealth. He believes this has

created a system where retirees in dire poverty are not receiving adequate support. He suggests returning old age benefits to their original function and directing more benefits to the poor by using a comprehensive means test that would be imposed on all federal benefits, regardless of the age of the recipient. Those households with incomes beneath the federal median would receive full benefits and those above the median income would lose 10 percent for each additional $10,000 of household income. He estimates that this reform would save $75 billion in the year 2000, and even more in future decades. Peterson claims that under this proposal, even the most affluent would retain some minimal return on their personal contributions to Social Security. He also states that polls have shown that the majority of people in every age group support affluence testing.

As do the OECD and the World Bank, Peterson advocates requiring people to save for old age: in Japan private retirement plan assets amount to 50 to 75 percent of GDP. He extrapolates by stating that funded pension systems would pay for the growing dependency costs of an aging society without placing the burden on younger taxpayers. Further, these plans have been shown to increase national savings. However, during the transition from one type of system to another, younger people would be putting money away for their own retirement while funding older people's retirement, through the public system, at the same time.

Peterson believes that "unconditional" long-term care will bankrupt any aging society. He suggests that filial obligation should be stressed to encourage tomorrow's children to support their elderly parents. He cites the Japanese as a nation which cares for their family members. Peterson says that an ethic of family piety, similar to Chinese "Confucian values", encourage children and their parents to take personal responsibility for each other throughout their lives, stating that this cultural predisposition may serve to help Japan confront their fiscal future. Peterson maintains that children in Japan, China, and East Asia have the strongest ties to their parents and these countries have a lot to teach other nations about family obligations. As a means to encourage this sort of caregiving in the United States, Peterson suggests offering tax incentives and improved social services, such as home care and respite care.

Canadian Source

Torjman, S. (1998). "Strategies for a Caring Society." Paper presented to the Conference on Investing in the Whole Community: Strategies for a Caring Society. Caledon Institute of Social Policy.

This paper was presented by Torjman at a conference on building community capacity and strategies for a caring society. Torjman maintains that building community capacity is a shared responsibility, one that should be shouldered by the public sector and communities themselves. She proposes that the overarching conceptual framework that unites these groups is "sustainable development". The primary goal of sustainable development is identified as being the improvement of quality of life with the underlying theme being "pro-people, pro-nature, and pro-jobs."

Torjman also claims that sustainable development is concerned with intergenerational equity; specifically, being able to respond to the needs of the current generation without compromising the ability of future generations to have their needs met. Sustainable development also promotes linkages among the generations by encouraging all generations to optimize their abilities and resources. The underlying, core value of sustainable development is care. All citizens have responsibilities: to each other, to their families, to their communities, and to the environment. Torjman believes that governments can play an important role in promoting a shift in society's values by providing more leadership that reinforces the value of stewardship, responsible citizenship, and the associated notion of care.

The paper details seven strategies for investing in the community: poverty reduction, a broadened concept of investment, civic engagement, problem solving, partnership, leadership development, and celebration. Reducing poverty is a primary goal because poverty prevents training and participation in the labour market. A broader concept of investment involves viewing all of a community's resources, such as land, parks, and community centres, as well as

the human contributions of a community (the knowledge, skills, time, and commitment of its residents), as capital. As an example, the market value of the voluntary contributions of Canadians exceeded $16 billion in 1998. Torjman specifically refers to elderly and retired people as being able to make significant contributions to society through the wealth of knowledge that they possess.

Civic engagement is the engagement or participation in decision-making; it is about involving citizens in actively discussing and arriving at a consensus around key issues. Problem solving involves finding solutions that are appropriate to the issues faced by the community by engaging key players from different sectors. Partnerships are the voluntary arrangements that occur among parties as they work towards a mutual goal. Leadership development supports future leaders, who are required to promote the aspects of civic engagement, encourage community problem solving and the establishment of strong partnerships. The final strategy is celebration of the results, something that is often forgotten according to Torjman.

Housing

Canadian Sources

Baxter, D., Ramlo, A., and Smerdon, J. (1999). "Housing Alberta's Seniors in the Next 30 Years." Vancouver: The Urban Futures Institute.

This paper is one of a series published by the Urban Futures Institute. The primary focus of the Institute is to provide information about the future of Canada's communities through the use of demographic study. This particular paper seeks to predict the increase in the demand for housing as a result of the increase in the aging population. Baxter, Ramlo, and Smerdon believe that the demand for seniors'[1] housing will increase at a faster rate than the seniors' population, and the population as a whole.

[1] Please note that Baxter, Ramlo, and Smerdon refer to a senior as an individual over the age of 55.

Baxter and his colleagues concur that the most significant increase in "seniors' accommodation" will occur in private dwellings. Using 1996 rates of occupancy by dwelling type, they predict a 2.36 times increase in dwellings of this type, with ground-oriented housing remaining dominant. Owner occupied housing of this type is expected to continue to prevail but the authors also foresee an increase in rental occupancy as well. Rented apartment-style accommodation is expected to undergo a 1.36 percent increase from 1998 to 2028. The authors point out that the future seniors' population will have had a more urban lifestyle and hence a greater propensity to have been apartment dwellers during their working lives. Therefore they may continue to remain so as seniors.

In terms of the population living in collective dwellings, Baxter and his colleagues forecast a 130 percent increase in the number of seniors residing in these types of dwellings. Collective dwellings include hospitals and institutions, service dwellings such as motels/hotels, lodging and rooming houses, and religious establishments, work camps, military camps, and Hutterite colonies. The authors forecast only a negligible decline in the demand for collective accommodation based on 1998 residency rates, and predict that the most significant growth will occur in the demand for care facilities and seniors' residences. The authors state that to meet the need for this type of living space in the future, accommodation for an average of 780 additional seniors needs to be constructed each year from 1999 to 2028. Despite this assertion, the authors maintain that 98 percent of all Alberta seniors will continue to reside in private housing. They also state that it is possible that a fitter, more active seniors' population may result in a reduction in the need for facility-type accommodation and a further increase in ground-oriented accommodation.

British Columbia Ministry of Health and Ministry Responsible for Seniors, Ministry of Social Development and Economic Security. (1999). Supportive Housing in Supportive Communities – The Report on the Supportive Housing Review. British Columbia Ministry of Health and Ministry Responsible for Seniors, and Ministry of Social Development.

This document provides a synopsis of the Supportive Housing Review conducted by the British Columbia Ministry of Health and Ministry Responsible for Seniors along with the Ministry of Social Development. This review was led by a steering committee consisting of provincial, municipal and regional governments, and health authority representatives. Their intent was to create a policy and legal framework to assist communities in developing market and non-market supportive housing for seniors in British Columbia.

This document defines supportive housing as a type of housing that combines independent living spaces with support services to enable people to remain living in the community as long as they are able and wish to do so. The committee considers supportive housing as including the following components, at a minimum:

- a private space with a lockable door;
- a safe and barrier-free environment;
- a monitoring and emergency response system;
- at least one meal a day made available; and
- housekeeping, laundry, and recreational opportunities.

The committee also stresses in its report, that supportive housing is not a health care environment. They also note that supportive housing differs from assisted living. Whereas assisted living is defined as a facility which provides care services in a housing setting, usually on an as needed basis; supportive housing is first and foremost a type of accommodation that reduces day-to-day type demands on residents. Supportive housing is meant to offer seniors companionship and a stronger sense of security than they might experience living alone. These

accommodations are not regulated care facilities and may consist of self-contained units or a combination of private rooms and shared living space.[2]

The committee members agreed that supportive housing services should be limited to those that are non-medical in nature. Affordability was identified as a major issue as many low-income seniors cannot access supportive housing. On this basis, they recommended that unnecessarily high standards for these facilities be avoided, as they would only serve to increase costs. The committee maintained that supportive housing should be an option for seniors at all income levels. However, the committee noted that there is a relationship between housing and health care services; supportive housing has the potential to play a role in the maintenance and promotion of seniors' health. It was suggested that care providers and health providers work together to achieve this purpose. An additional benefit is cited as being the widespread belief that supportive housing would reduce public health care costs and that required services could be more efficiently and effectively provided in supportive housing settings.

As part of the review process, professionals who work with seniors were asked to identify what they saw supportive housing as requiring. These individuals felt that there is a gap in choice between independent living and long term care and that supportive housing can often delay or prevent placement in a facility. As well, it could be an option for people whose health has improved, but who are currently in care facilities. These professionals also agreed that support services, within a supportive housing environment, should be attached to the individual and not the housing.

A literature review was also undertaken to profile residents of supportive housing. The findings showed that the potential residents of supportive housing tend to be over the age of 75, and that they tend to live alone with inadequate supports. Most have a moderate disability, a relatively low income, and rent their accommodation as opposed to own it. The research also showed that residence in a supportive living environment is associated with greater well-being on behalf of

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[2]Please note that Supportive Housing in Edmonton defines assisted living as being an environment that "provides a living arrangement which integrates shelter and services for frail older persons who are functionally and/or socially impaired and need 24 hour protective oversight."

the resident and that these environments increase the sense of security, peace of mind, and opportunities for nutrition and social interaction among residents. There are also societal benefits, such as reduced health care expenditures and reduction in stress for family caregivers.

Key policy issues concerning supportive communities that were identified as requiring further exploration were: removing hazards and barriers to mobility in seniors' residences, ensuring that seniors have easy access to the community's resources and services, and enabling individuals to maintain a social life in whatever way they prefer. The committee noted that in many communities it is possible to combine supportive housing with assisted living or a care facility on the same site.

The committee concluded their report by proving a series of recommendations for a provincial supportive housing strategy. These included:

- assisting local governments with addressing market and non-market supportive housing initiatives in their communities;
- ensuring that local governments have the power and planning tools they need to encourage this type of housing;
- implementing and developing policies for efficient and flexible delivery of home care services in supportive housing environments;
- encouraging health authorities and provincial ministries to consider directing resources to supportive housing in partnership with housing providers as a health promotion strategy;
- developing strategies to make supportive housing more affordable for low and middle income seniors;
- introducing consumer protection measures that recognize seniors living in supportive housing as consumers who make their own decisions; and
- developing measures to address and support the needs of seniors in emergency situations.

Conclusion

Overall, the majority of the literature reviewed for the purpose of this bibliography presents similar challenges and suggestions for policy makers with regard to the demographic aging currently occurring in the developed nations. In fact, the perspectives from the "crisis" perspective and the "manageable" perspective often echo each other.

The common concerns and recommendations that emerge from the literature are primarily concerned with volunteers and caregivers, the labour force, pension reform, and health and health promotion. Several sources noted the importance of recognizing volunteers and suggested compensating them in some manner for costs that they may incur while engaging in this important work. It was also suggested several times that the economic value of volunteer work be reported regularly so that society is made aware of these contributions. The issue of compensation also arose with regard to unpaid caregiving. However, several of the sources noted research that indicates caregivers do not want financial support so much as the provision of services and community support, such as respite care. It was also noted by several sources that employers need to adopt a flexible approach towards employees who are caring for an aging family member.

With regard to the labour force, almost all sources concurred that a flexible approach to retirement should be encouraged and that policies and programs which discourage continued participation in the workforce should be eliminated. Many also agreed that incentives for early retirement should also be eliminated. All agreed that older people are a valuable resource in the workplace and that they have much to contribute in terms of knowledge and experience. The continued employment of older people reduces the pressures on the public pension system and adds to the taxpayer base. Japan was repeatedly touted as being a nation that has policies in place to encourage employers to retain older employees. The importance of education was also raised in several documents which emphasized the importance of lifelong learning.

The sources that addressed the public pension system had a high level of consensus. The majority stated that current systems require some alterations in order to remain viable and avoid

placing a large burden on the working population. The World Bank, the OECD, the ACPM, and to some extent Peter Peterson, all advocate a shift to a three pillar pension system that would be based upon a reduced public component, a mandatory savings component, and a voluntary component. Almost all sources that addressed the pension issue stated that individuals should bear personal responsibility for making financial preparations for retirement. Several sources also indicated that public debt is a serious issue, which will continue to contribute to increasing taxation if left ignored, compounding the weight on the working population.

On the subject of health, two sources concluded that a system that provides opportunities for home-based care as well as institutional care is ideal. As well, it was noted that there should be continued efforts to improve the ability to forecast health status and disability at older ages in order to make more accurate predictions of future health and long term care costs. Health promotion was also identified as an important way of preventing and reducing some of the disabilities and functional losses associated with the chronic conditions that often appear with age.

All sources acknowledge that older people have much to contribute and are a valuable resource. Their contributions should be acknowledged and programs and services should support this population appropriately without placing an unreasonable burden on the younger generations. These sources concur that changes can be made to curb the impact of the aging population and maintain the status quo between retirees and the working generation.

Summary of Recommendations by Theme
from the Literature on the Aging Population[3]

Caregivers/Volunteers

- efforts to support family responsibility for caregiving and the recognition of the support of family caregivers should be continued *(North Carolina – A Leader in Aging)*
- work with other public and private agencies to promote volunteerism by older adults should be continued *(North Carolina – A Leader in Aging)*
- ways to increase volunteer recruitment and training should be explored *(Project 2030 Aging Initiative)*
- work that is traditionally undervalued, such as informal caregiving etc., should be compensated in some fashion *(Project 2030 Aging Initiative; **1999 and Beyond – Challenges of an Aging Canadian Society;** Active Aging: A Shift in the Paradigm)*
- the market value for the unpaid activity of older adults (which benefits society) should be assessed and reported regularly *(Successful Aging; Achieving a Productive Aging Society)*
- employers should adopt a flexible approach with respect to employees who are caring for a family member *(**1999 and Beyond – Challenges of an Aging Canadian Society**)*
- the drop-out period for the Canada Pension Plan (CPP) should be amended to reflect the time spent caring for a senior *(**1999 and Beyond – Challenges of an Aging Canadian Society**)*
- family obligations should be stressed to encourage tomorrow's children to care for their elderly parents *(Gray Dawn)*
- caregivers should receive tax incentives and have access to improved social services such as homecare and respite care *(Gray Dawn)*
- most seniors do not want to be dependent on, or live with, their adult offspring; instead they would choose to voluntarily place themselves in a lodge or a long term care facility **(Aging in Alberta – Second Edition)**

[3] Note: All Canadian sources are in bold.

- 2/3 of Edmontonians agreed that Canada should introduce a homemaker's pension **(Aging in Alberta – Second Edition)**

Cultural Diversity

- professional caregivers and volunteers should receive culturally appropriate training so that they may provide care to seniors from a variety of ethnic backgrounds ***(1999 and Beyond – Challenges of an Aging Canadian Society)***
- health care and promotion programs may need to be provided in languages other than English or French ***(1999 and Beyond – Challenges of an Aging Canadian Society)***

Education and Awareness

- the training and education of older people should be encouraged by offering individual tax credits *(North Carolina – A Leader in Aging)*
- the focus on education should be shifted from early life to lifelong learning, to promote active engagement in life and protect against cognitive losses *(Successful Aging: Achieving A Productive Aging Society)*
- provincial governments should instruct their education ministries, with the assistance of the financial services industry, to design and require the teaching of financial wellness courses at primary and secondary school levels ***(Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?)***

Financial Planning/Security

- all workers will regularly contribute to a savings plan for retirement *(Project 2030 Aging Initiative)*
- retirement income should be provided by a mix of tax/transfer systems: pay-as-you-go and advance-funded systems, private pensions, and public and private, mandatory and voluntary, savings and earnings *(Maintaining Prosperity in an Ageing Society)*

- there should be a multi-pillar retirement system consisting of mandatory publicly managed, tax-financed pillar, a mandatory privately financed pillar and a voluntary component for people desiring further protection *(New Systems for Old Age Security – Theory, Practice, and Empirical Evidence)*
- people should be required to save for retirement through a funded pension plan *(Gray Dawn)*
- Canadians must take charge of creating their own financial wellness plans ***(Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?)***
- no Canadian should pay tax on earned income below the Market Basket Measure ***(Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?)***

Government Role/Individual Role

- the economic situation of seniors should be improved immediately by combating the causes of poverty and financial dependence during retirement ***(1999 and Beyond – Challenges of an Aging Canadian Society)***
- the government transfer system should be revised so that seniors with the lowest incomes receive enough money to make an appreciable difference in their quality of life ***(1999 and Beyond – Challenges of an Aging Canadian Society)***
- Old Age Security should be fully indexed to prevent the erosion of benefits ***(1999 and Beyond – Challenges of an Aging Canadian Society)***
- spending on public pensions must be curtailed to avoid a deficit situation *(Maintaining Prosperity in an Ageing Society)*
- pension programs should be developed to protect the old and promote economic growth which benefits people of all ages *(New Systems for Old Age Security – Theory, Practice, and Empirical Evidence)*
- a comprehensive means test should be imposed on all federal benefits, regardless of the age of the recipient *(Gray Dawn)*
- poverty reduction should be a primary goal; poverty prevents training and participation in the labour market (***Strategies for a Caring Society***)

- the criteria for OAS/GIS should be tightened so that benefits are only received by those who need them most ***(Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?)***
- government surpluses should be used to reduce debt as opposed to increasing spending or reducing taxes, or the tax burden will continue to rise for future generations ***(Taxes, Transfers, and Generations in Canada: Who Gains and Who Loses from the Demographic Transition; Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?)***
- contribution room into voluntary pension plans (RRSPs) should be doubled ***(Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?)***
- the foreign property rule for RRSP investment should be eliminated ***(Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?)***
- economic policy will have important implications for social policy **(Aging in Alberta – Second Edition)**

Health Care

- personal responsibility for long term care provision should be increased by encouraging the purchase of long term care insurance and offering a tax-credit for its purchase *(North Carolina – A Leader in Aging)*
- opportunities for home and community-based care should be enhanced *(North Carolina – A Leader in Aging)*
- long term care will shift the focus towards functional wellness and improved quality of life *(Project 2030 Aging Initiative)*
- the need for the recruitment of health care professionals, training, and the setting of priorities in health research should be considered to address the delivery of appropriate and cost-effective health care services *(Active Aging: A Shift in the Paradigm)*
- continued efforts should be made to improve the ability to forecast health status and disability at older ages to make more accurate predictions of future health and long term care costs *(Active Aging: A Shift in the Paradigm; Maintaining Prosperity in an Ageing Society)*

- a more harmonious approach is needed in the provision of health care to frail older people *(Maintaining Prosperity in an Ageing Society)*
- a key policy challenge is "the development of a system that can readily adjust to changes in the numbers of people needing chronic care and that responds to a variety of needs" *(Maintaining Prosperity in an Ageing Society)*
- there should be a balance between aging-in-place and institutional care, between the family and the formal systems, and between medical and social services *(Maintaining Prosperity in an Ageing Society)*
- an emphasis on the "whole" health needs and wishes of an older population would require a shift in power from centralized to decentralized bureaucracies and from social planners, civil servants, and service providers to seniors themselves **(Aging in Alberta – Second Edition)**

Healthy Lifestyles – Wellness Promotion

- people should become empowered to take responsibility for their own self-care *(Project 2030 Aging Initiative)*
- government should support the promotion and maintenance of health promotion to prevent or reduce disability rates and functional losses which are associated with chronic conditions *(Project 2030 Aging Initiative)*
- programs which target health problems and general health promotion (active living) should be administered *(North Carolina – A Leader in Aging)*

Housing

- the demand for senior accommodation in Alberta will increase faster than both the population as a whole and the seniors' population itself ***(Housing Alberta's Seniors in the Next 30 Years)***
- the demand for collective dwellings will increase by 129 percent ***(Housing Alberta's Seniors in the Next 30 Years)***

- the demand for private dwellings will increase by 136 percent ***(Housing Alberta's Seniors in the Next 30 Years)***
- unnecessarily high standards should be avoided, in the case of supportive housing, as they will only serve to increase the cost for clients ***(Supportive Housing in Supportive Communities)***
- supportive housing should be an option for seniors at all income levels ***(Supportive Housing in Supportive Communities)***
- supportive housing should provide, at a minimum, a private space with a lockable door, a safe and barrier-free environment, a monitoring and emergency response system, and at least one meal a day, housekeeping, laundry, and recreational opportunities should be made available. ***(Supportive Housing in Supportive Communities)***
- services, in a supportive living environment, should be attached to the individual and not the housing ***(Supportive Housing in Supportive Communities)***
- a supportive housing strategy could entail:
    - assisting local governments with addressing housing initiatives in their communities,
    - ensuring local governments have power and necessary planning tools,
    - implementing and developing policies for efficient and flexible delivery of home care services,
    - encouraging health authorities to consider directing resources to supportive housing,
    - introducing consumer protection measures that recognize senior clients as consumers who make their own decisions, and
    - developing measures to address and support the needs of seniors in emergency situations. ***(Supportive Housing in Supportive Communities)***

Integrated and Supportive Communities

- the establishment of multipurpose seniors' centers should continue to be promoted *(North Carolina – A Leader in Aging)*

- interest and commitment to more comprehensive planning at the regional and local levels relative to the aging of the community, including participation and support from businesses, civic groups, religious leaders etc. should be encouraged *(North Carolina – A Leader in Aging)*
- intergenerational and lifecycle communities should be promoted, which would offer choices for the future needs of all residents and support the ability of older people to live independently for longer periods of time via the informal and formal support networks in that community *(Project 2030 Aging Initiative)*
- community-based organizations would provide meaningful opportunities for political, social, and recreational involvement for all residents, fostering connections between people and a sense of responsibility for one another *(Project 2030 Aging Initiative)*

Labour Force

- "pro-work" policies should be developed to encourage employers to retain older people in the workforce through the use of tax credits *(North Carolina – A Leader in Aging, Successful Aging)*
- there should be a new concept of retirement whereby retirement would be defined by mental and physical capacity and personal financial preparation rather than by age *(Project 2030 Aging Initiative)*
- future workplace should be characterized by flexibility and ready access to training and lifelong learning *(Project 2030 Aging Initiative; **1999 and Beyond – Challenges of an Aging Canadian Society; Flexible Retirement as an Alternative to 65 and Out**)*
- an "ideal set of benefits" would provide incentives for older workers to remain in (or return to) the workforce and incentives to leave the workforce early would be reduced or eliminated *(Project 2030 Aging Initiative; **Dependence or Self-Reliance: Which Way for Canada's Retirement Income System?**)*
- changes should be made to federal income tax law so that people who are receiving Social Security can continue to receive labour force income without forfeiting pension income *(Successful Aging)*

- mandatory retirement should be abolished and reforms should be made to make it financially advantageous for older workers to return to the workforce *(**1999 and Beyond – Challenges of an Aging Canadian Society**)*
- countries should identify the important disincentives for continued work and examine the effectiveness of incentives for prolonging productive activity *(Active Aging: A Shift in the Paradigm; Maintaining Prosperity in an Ageing Society)*
- full-benefit retirement age should be increased to 70 *(Gray Dawn)*

Other

- consumer groups should be partnered with to plan for adequate transportation for seniors needing assistance to get to medical appointments etc. (*North Carolina – A Leader in Aging)*
- older drivers' competencies should be addressed from a public safety standpoint while respecting the dignity and independence of the individual *(**1999 and Beyond – Challenges of an Aging Canadian Society**)*
- road and highway design features should reflect the changing needs of older drivers *(**1999 and Beyond – Challenges of an Aging Canadian Society**)*
- social isolation should be reduced by providing alternative housing and transportation for the elderly living in rural areas *(**1999 and Beyond – Challenges of an Aging Canadian Society**)*

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